

# House Research Act Summary

**CHAPTER:** 48

**SESSION:** 2015 Regular Session

**TOPIC:** Transportation network companies

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## Overview

This act requires transportation network companies, transportation network company drivers, or a combination of the parties, to maintain certain types of auto insurance.

### Section

#### **1 Transportation network financial responsibility.**

**Subd. 1. Definitions.** Provides definitions for this section. Defines “transportation network company” as a business that uses a “digital network” to connect a “driver,” who, using their personal vehicle, transports a “rider.”

**Subd. 2. Maintenance of transportation network financial responsibility.** Requires specific types and levels of auto insurance be maintained when drivers are logged onto the transportation network company’s digital network, or are engaged in a prearranged ride.

When the driver is logged onto the digital network, but is not engaged in a prearranged ride, the following auto insurance must be in place: (1) \$50,000 in liability for injury to one person in an accident, \$100,000 in liability for injury to two or more people in an accident, and \$30,000 in liability for damage to property in an accident; (2) statutory basic economic loss benefits, which are currently \$40,000; and (3) statutory uninsured and underinsured motorist coverage, which are currently \$25,000 for injury to one person in an accident and \$50,000 for injury to two or more people in an accident.

When the driver is engaged in a prearranged ride, the following auto insurance must be in place: (1) \$1.5 million in liability; (2) statutory basic economic loss benefits, which are currently \$40,000; and (3) statutory uninsured and underinsured motorist coverage,

**Section**

which are currently \$25,000 for injury to one person in an accident and \$50,000 for injury to two or more people in an accident.

Requires the driver, the transportation network company, or a combination of the parties to purchase the auto insurance coverage. Provides that if a driver fails to provide the required insurance coverage, then the transportation network company must provide the coverage. Insurance companies cannot make this coverage dependent on another insurance company first denying the claim. Drivers must carry proof of the insurance coverage.

**Subd. 3. Disclosure to transportation network company drivers.** Requires the transportation network company to disclose the following in writing to its drivers: (1) the auto insurance coverage the transportation network company provides; (2) that the driver's personal auto insurance may not provide coverage while the driver is logged onto the transportation network company's digital network or providing a prearranged ride; and (3) that using a vehicle with a lien against it may violate the driver's contract with the lienholder.

**Subd. 4. Automobile insurance provisions.** Allows insurance companies to exclude coverage for losses occurring while a driver is logged onto the transportation network company's digital network or engaged in a prearranged ride. Requires the transportation network company, driver, and insurance company to provide certain information and cooperate with others when a claim is being investigated.

- 2 **Indemnification and subrogation rights.** Clarifies that a transportation network company has subrogation rights relating to the assigned claims plan under Minnesota statutes, sections 65B.63 to 65B.66.
- 3 **Effective date.** The act is effective July 1, 2015.